

# Chapmans Limited

ACN 000 012 386

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## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY MEMORANDUM

### PROXY FORM

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#### **Date of Meeting**

31 May 2016

#### **Time of Meeting**

10:00am

#### **Place of Meeting**

Level 25, 1 O'Connell Street, Sydney NSW 2000

***This Notice of Meeting should be read in its entirety. Shareholders in doubt as to how they should vote should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 9300 3630.***

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## CONTENTS PAGE

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Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Memorandum (explaining the proposed resolutions)	6
Glossary	14
Proxy Form	attached

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is hereby given that an Annual General Meeting of the members of Chapmans Limited (**Company**) will be held at Level 25, 1 O'Connell Street, Sydney NSW 2000 to consider and, if thought fit, to pass the resolutions set out below.

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### YOUR VOTE IS IMPORTANT

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The business of the Meeting affects your shareholding and your vote is important.

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### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (AEST) on 29 May 2016.

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### VOTING IN PERSON

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To vote in person, attend the Meeting at the time, date and place set out above.

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### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that under sections 250BB and 250BC of the Corporations Act:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on this are set out below.

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### ***Proxy vote if appointment specifies way to vote***

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Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2015 together with the Directors' declaration, the Directors' report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2015."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2: ELECTION OF DIRECTOR – CHRISTOPHER NEWPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, Mr Christopher Newport, having been appointed as a Director since the last Annual General Meeting and who retires in accordance with clause 12.7(b) of the Constitution and being eligible, offers himself for election, be elected as a Director of the Company."*

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#### 4. RESOLUTION 3: RE-ELECTION OF DIRECTOR – ANTHONY DUNLOP

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, Mr Anthony Dunlop, who compulsorily retires in accordance with clauses 12.11(a)(i) and 12.12(a) of the Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

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#### 5. RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 127,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 5: APPROVAL OF ADDITIONAL CAPACITY TO ISSUE SHARES UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue securities under Listing Rule 7.1A on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 6: APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

*"That Hall Chadwick being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the close of this Meeting and the Directors be authorised to agree the remuneration."*

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Dated: 2 May 2016

By order of the Board  
Chapmans Limited

A handwritten signature in black ink, consisting of a stylized 'P' followed by a large 'D' and a horizontal line extending to the right.

Peter Dykes  
Executive Chairman/Company Secretary

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## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2015 together with the Directors' declaration, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available from the registered office of the Company and an electronic version of the annual financial report is available on the Company's website and ASX Announcement Platform.

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### 2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy -***

***You must direct your proxy how to vote on this Resolution.*** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member)-***

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy -***

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

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## 3. RESOLUTION 2: ELECTION OF DIRECTOR – CHRISTOPHER NEWPORT

### 3.1 General

Clause 12.7(b) of the Company's constitution provides that any person appointed to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, holds office until the conclusion of the next Annual General Meeting but is eligible for election at that Annual General Meeting.

Christopher Newport, having been appointed by the board as a non-executive director of the Company on 29 May 2015, retires and seeks re-election to the Board.

### 3.2 Profile

Christopher Newport is a director of boutique investment group, CBN Capital Pty Limited. CBN Capital Pty Limited is a privately owned investment fund established to provide capital solutions to companies in the Asia-Pacific region.

Chris has over 7 years experience in the mobile technology sector with a focus on mobile application development and delivery. As a reputable technology entrepreneur Chris has successfully developed a range of mobile media and e-commerce based assets.

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## 4. RESOLUTION 3: RE-ELECTION OF DIRECTOR – ANTHONY DUNLOP

### 4.1 General

Clause 12.11(a)(i) of the Company's Constitution provides that at each Annual General Meeting, one-third of the Directors for the time being (excluding casual appointees and the Managing Director) must retire from office.

In accordance with clause 12.12(a) of the Company's Constitution, the specific Directors to retire at any Annual General Meeting must be those who have been longest in office since their last election.

Anthony Dunlop, being the longest serving Director since his last election, retires and seeks re-election to the Board.



## 4.2 Profile

Anthony has over 20 years of corporate advisory and investment experience in Australia, the US, Hong Kong and mainland China.

Beginning his corporate finance career with ABN AMRO, Anthony has extensive experience in transaction and portfolio analysis and risk management for both debt and equity structured investments. He has advised numerous ASX-listed and private entities in a wide range of sectors including mobile technology, technical & engineering services, resources, finance and agriculture sectors.

Anthony has a well-established private and public capital network in Australia, Hong Kong and mainland China. He is active in China outbound and inbound investment with Australian businesses.

Anthony is a non-executive director of big data market leader SkyFii Limited (ASX:SKF), Capital Mining Limited (ASX:CMY) and is Chapmans' nominee director for mobile technology commercialisation specialist Digital4ge Pty Ltd. He holds a Bachelor of Economics from Macquarie University, and is a Graduate of the Australian Institute of Company Directors (GAICD).

Anthony Dunlop has 25 years banking, finance and corporate advisory experience in Australia, Hong Kong, China, New Zealand, South Africa and USA. Anthony has held board and group executive roles with extensive experience in debt and equity markets, new product development, wholesale funding and risk management.

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## 5. RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES

### 5.1 General

On 20 July 2015, the Company issued 127,500,000 Shares at an issue price of \$0.003 per Share to raise \$382,500 under the Company's placement capacity under ASX Listing Rule 7.1 (**Placement**).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of shares under the Placement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provides that the previous issue did not breach ASX Listing 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 127,500,000 Shares were issued;
- (b) the issue price was \$0.003 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to various professional and sophisticated investors; and
- (e) the funds raised from the issue were used to fund the working capital of the Company and the repayment of debt.

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## 6. RESOLUTION 5: APPROVAL OF ADDITIONAL CAPACITY TO ISSUE SHARES UNDER LISTING RULE 7.1A

### 6.1 General

ASX Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an Annual General Meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**10% Placement Capacity**). The additional 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The effect of Resolution 5 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote.

### 6.2 Eligibility

An eligible entity under ASX Listing Rule 7.1A is one which has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company hereby seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated as follows:

$$(A \times D) = E$$

where:

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months;

**Note that A has the same meaning in the ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.**

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Rule 7.1 or 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities being fully paid ordinary shares.

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to ASX Listing Rules 7.1A.4 and 3.10.5A:

- (a) give to the ASX a list of the allottees of the equity securities and the number of equity securities caused to be allotted to each (but this list is not required to be released to the market); and
- (b) disclose to the market the details of the dilution to the existing holders of ordinary securities caused by the issue; where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement rather than as a pro rata issue; the details of any underwriting arrangements and fees payable to the underwriter; and any other fees or costs incurred in connection with the issue.

### **6.3 Technical information required by ASX Listing Rule 7.3A**

#### **(a) Minimum price**

Any equity securities issued by the Company under ASX Listing Rule 7.1A can only be issued at a price that is no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) the date on which the securities are issued if the securities are not issued within five trading days of the date on which the issue price is agreed.

#### **(b) Dilution to existing security holders**

If Resolution 5 is approved by shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by ASX Listing Rule 7.3A.2 where the number of the Company's shares on issue (variable "A" in the formula in ASX Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 26 April 2016.

Number of shares on issue Variable "A"	Additional 10% placement Shares issued & funds raised	Dilution		
		\$0.0015	\$0.003	\$0.006
		Issue price at half current market price	Issue price at current market price	Issue price at double current market price
<b>Current</b>  1,431,666,665	Shares issued	143,166,667	143,166,667	143,166,667
	Funds raised	\$214,750	\$429,500	\$859,000
<b>50% increase</b>  2,147,499,998	Shares issued	214,750,000	214,750,000	214,750,000
	Funds raised	\$322,125	\$644,250	\$1,288,500
<b>100% increase</b>  2,863,333,330	Shares issued	286,333,333	286,333,333	286,333,333
	Funds raised	\$429,500	\$859,000	\$1,718,000

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- (i) the Company issues the maximum number of securities available under the additional 10% placement;
- (ii) the table shows only the effect of issues of securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
- (iii) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (iv) the table does not show an example of dilution that may be caused to a particular shareholder by reason of the placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting; and
- (v) the issue price at current market price is the closing price of the shares on the ASX on 26 April 2016.

**(c) 10% placement period**

Shareholder approval under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting until the earlier of:

- (i) 12 months after the Annual General Meeting; or
- (ii) the date of approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

(d) **Purpose of 10% additional placement**

The Company may seek to issue securities under the 10% placement for either:

- (i) Cash consideration. The Company may use the funds for working capital, towards potential transactions or for other corporate purposes deemed by the Board to be in the best interests of the Company; or
- (ii) Non-cash consideration for transactions deemed by the Board to be in the best interests of the Company. In such circumstances the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with ASX Listing Rule 7.1A.3.

The Company will comply with any disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any securities under ASX Listing Rule 7.1A.

(e) **Allocation policy**

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement. The identity of allottees of equity securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are then available to the Company;
- (ii) the effect of the issue of the equity securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from professional and corporate advisers (if applicable).

Allottees under the 10% placement have not been determined as at the date of this Notice of Meeting and may include existing and/or new security holders but cannot include any related parties or associates of a related party of the Company.

(f) **Previous Issues of Securities**

The Company has not previously obtained shareholder approval to have the additional capacity to issue equity securities under ASX Listing Rule 7.1A.

(g) **Voting exclusion**

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting the Company has not invited and has not determined to invite any particular existing security holder or an identifiable class of existing security holders to participate in an offer under ASX Listing Rule 7.1 A. Therefore no existing security holder will be excluded from voting on item 7.

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## **7. RESOLUTION 6: APPOINTMENT OF AUDITOR**

### **7.1 General**

I J Lamb & Co, the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC in accordance with s329(5) of the Corporations Act.

Upon receipt of ASIC's consent to its resignation, I J Lamb & Co has advised it will submit a notice of resignation to the Company in accordance with s329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with s328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Hall Chadwick to be appointed as the Company's auditor.

A copy of this nomination is set out in the Annexure. Hall Chadwick has consented to its appointment as the Company's auditor, which will take effect subject to Shareholder approval and I J Lamb & Co's resignation. Hall Chadwick's written consent is also set out in the Annexure.

If Resolution 6 is passed, the appointment of Hall Chadwick as the Company's auditor will take effect at the close of the Meeting.

## **7.2 Directors' Recommendation**

The Board recommends that Shareholders vote in favour of this Resolution. The reason the Board makes this recommendation is that I J Lamb & Co is intending to resign as the Company's auditor and Hall Chadwick would be appropriate to fulfil the expected audit needs of the Company going forward. Other than as Shareholders, none of the Directors has an interest in the outcome of this Resolution.

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## **8. ENQUIRIES**

Shareholders are requested to contact the Company Secretary on (+61 2) 9300 3630 if they have any queries in respect to the matters set out in this Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning set out in section 6.1.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited.

**ASX Listing Rules** means the ASX Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** means Chapmans Limited (ACN 000 012 386).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 31 December 2016.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**VWAP** means volume weighted average price.



**Corporate directory**

A.C.N. 000 012 386

**Directors**

Peter Dykes – Executive Chairman  
Anthony Dunlop – Executive Director  
Christopher Newport – Non-Executive Director

**Company Secretary**

Peter Dykes

**Registered Office and Principal Place of Business**

Level 10, 52 Phillip Street  
Sydney, New South Wales  
T: (02) 9300 3630  
F: (02) 9300 3677  
E: <http://www.chapmansltd.com>

**Share Register**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
T: (08) 9315 2333  
F: (08) 9315 2233

**Securities Exchange Listing**

ASX Code: CHP

28 April 2016

The Directors  
Chapmans Limited  
Level 10, 52 Phillip Street  
Sydney NSW 2000

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

GPO Box 3555  
Sydney NSW 2001

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

Dear Sirs,

**APPOINTMENT AS AUDITORS**

In accordance with Section 328A of the Corporations Act 2001, we hereby consent to act as auditors of Chapmans Limited subject to ASIC consent.

Yours faithfully

HALL CHADWICK



**Graham Webb**  
Partner

A member of AGN  
International Ltd, a  
worldwide association  
of separate and  
independent  
accounting  
and consulting firms

[www.hallchadwick.com.au](http://www.hallchadwick.com.au)

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3 May 2016

The Board of Directors

Dear Sirs,

**Nomination of Hall Chadwick as Company Auditor**

I, Peter Dykes of 11A Parriwi Road, Mosman NSW 2088 being a member of Chapmans Limited (**Company**), request that a general meeting of the Company be held on the first available time, in any event no later than 2 months from the date of this notice to consider, and, if thought fit, pass a resolution that Hall Chadwick be appointed as the new auditor of the Company subject to ASIC's approval of I J Lamb & Co's resignation.

Furthermore, for the purposes of Section 328B(1) of the Corporations Act 2001, I hereby give you notice of the nomination of Hall Chadwick as auditor of the Company.

SIGNED by

Peter Dykes

in the presence of:

Peter Dykes



Signature of Witness



CHRIS NEWPORT

Name of Witness (Print)

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«Online\_Pro

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am AEST on Tuesday 31 May 2016 at Level 25, 1 O'Connell Street, Sydney NSW 2000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*
1. ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. ELECTION OF DIRECTOR-CHRISTOPHER NEWPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. RE-ELECTION OF DIRECTOR – ANTHONY DUNLOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. RATIFICATION OF PRIOR ISSUE OF SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. APPROVAL OF ADDITIONAL CAPACITY TO ISSUE SHARES UNDER ASX LISTING RULE 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. APPOINTMENT OF AUDITOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

«PRINT»

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am AEST on Sunday 29 May 2016.

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Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**Individual:** where the holding is in one name, the Shareholder must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd

**Postal Address** PO BOX 535  
Applecross WA 6953 AUSTRALIA

**Street Address**      Alexandra House  
Suite 1, 770 Canning Highway  
Applecross WA 6153 AUSTRALIA

**Telephone** +61 8 9315 2333

**Facsimile** +61 8 9315 2233

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.